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4 December 1981

MEMORANDUM FOR: Robert M. Gates
Director, DCI/DDCI Executive Staff

FROM: Stanley Sporkin
General Counsel

SUBJECT: Weekly OGC Report for the DCI/DDCI

ITEMS OF MAJOR INTEREST 28 November - 4 December 1981

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Procedures Implementing Order on Intelligence Activities.
In anticipation of the signing of the new Executive Order on Intelligence Activities, OGC has prepared a draft of new procedures to implement the proposed Order. At present, there are numerous rather lengthy and complex sets of procedures implementing E.O. 12036. These have created unnecessary difficulty in interpretation by Agency components. To remedy these problems, the draft procedures have been consolidated, simplified and, following the changes in the proposed Order itself, drafted in a positive manner. The reaction among Agency components with whom OGC has informally coordinated the draft has been highly favorable. Upon the signing of the new Order by the President, OGC will begin the process of formal coordination within the Agency and with the Justice Department. ☐

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Conflicts of Interest. OGC worked with External Affairs Staff in its proposed response to a New York Times request for information on post-employment activities and related legal requirements. OGC advised EAS that the Agency's ethics program specifically includes providing information to all employees on their post-employment obligations, that OGC provides counseling services on conflicts of interest matters to both current and former employees, and that OGC has worked closely with the Ethics

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Office in establishing an administrative hearing process to impose sanctions on persons who violate post-employment conflict of interest laws. ☐

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Conflicts of Interest. OGC has informed appropriate Agency officials of the annual requirement that certain employees below the SIS level file financial statements to be reviewed for possible conflict of interest. Agency procedures for the submission and review of those reports provide for all questions on legality or propriety to be referred to the Financial Disclosure Review Panel and OGC for resolution. This filing requirement is only one aspect of the Agency's ethics program that recently was inspected and praised by the Office of Government Ethics. ☐

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Cross, et al. v. CIA. Plaintiffs filed a Freedom of Information Act suit seeking Agency documents relating to Mercantile Bank and Trust Co., a failed Bahamian Bank, Castle Bank and Trust and numerous other entities and individuals. Plaintiffs claimed that newspaper stories raised questions about possible CIA influence on the management of the failed bank. The Agency filed responses and objections to Plaintiffs' interrogatories and filed a Motion for Summary Judgment. After reviewing the Agency's submissions, the Plaintiffs advised the court that they will not oppose the Summary Judgment motion, and a decision by the court dismissing the case is expected shortly. ☐

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